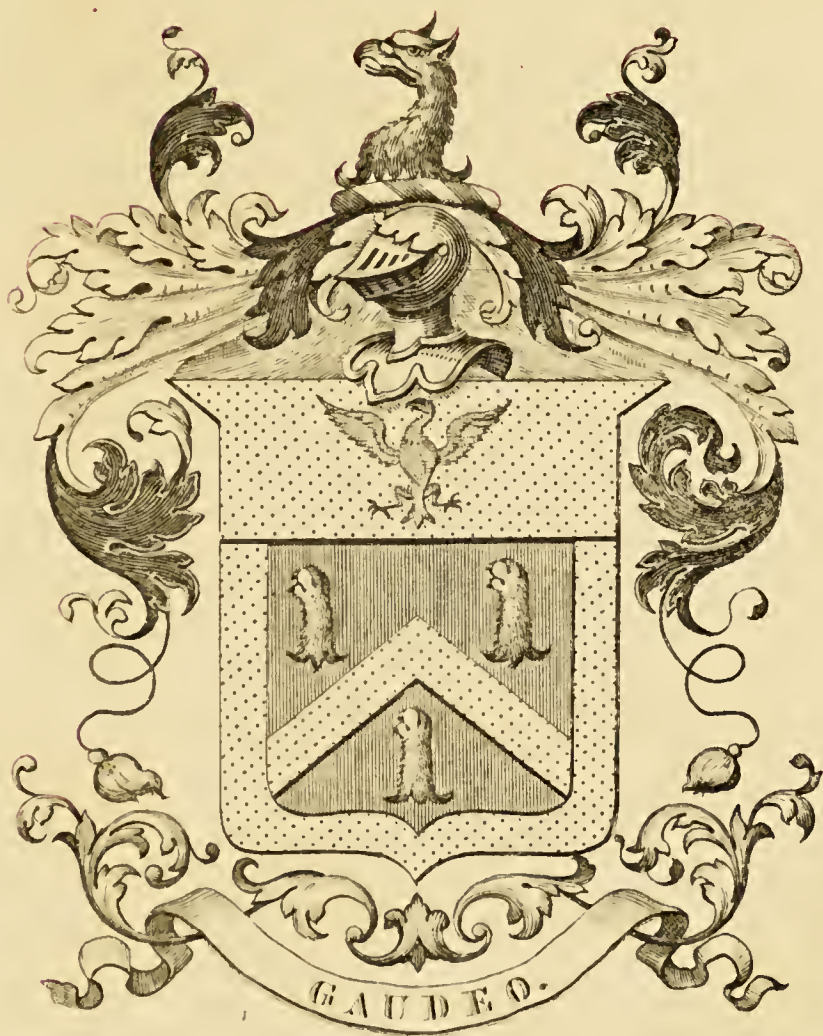
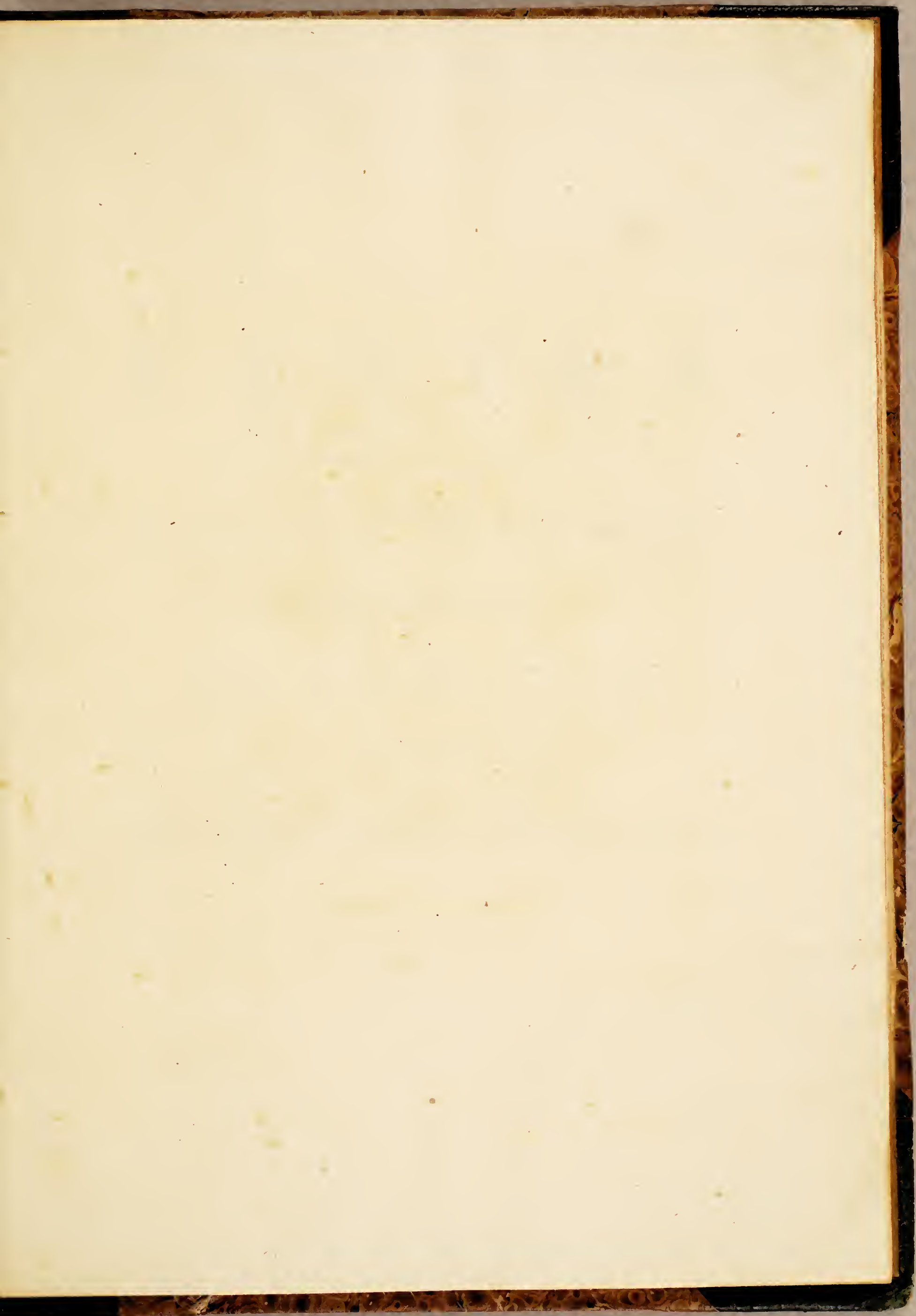


M. 9a



John Carter Brown.



42-84

A
L E T T E R

T O T H E

AUTHOR of *The Case Stated,*

B E T W E E N

The P U B L I C K

A N D

The SOUTH-SEA COMPANY.

That we find

R. 98.

C

SOME
CONSIDERATIONS
ON THE
CASE STATED,
BETWEEN THE
PUBLIC
AND THE
SOUTH-SEA COMPANY.
IN A
LETTER
Address'd to the
AUTHOR.

Audi alteram Partem.

LONDON:
Printed by H. Woodfall, in Pater-noster-row.
M.DCC.LI.

1861

JOHN CARTER BROWN.

A
L E T T E R
T O T H E
A U T H O R of *The Case Stated*,
B E T W E E N
The P U B L I C K
A N D
The S O U T H - S E A C O M P A N Y .

S I R,

I A M sensible an Attempt to disprove
the Weight of your Arguments, and
thereby to induce you to alter your Sen-
timents, will, by many, be thought a Pre-
sumption. It is no uncommon Foible for
People to be tenacious of their own Opinions;
and I dare say there is no one but, at some
B time

time or other, hath been misled by this Self-prejudice, which is too often so prevalent, as to blind our Understandings, and make us assent to Propositions, which would, at first Sight appear, to unbiaſſed Judges, to be intirely without Foundation.—Do not imagine, Sir, that I intend to be guilty of Ill-manners, by imputing this to you; it may, perhaps, be my own Case: But, that I may endeavour to remove the Mist, which certainly hangs before the Eyes of one or other of us, I will, without farther Preface, proceed to examine the Case, as you have ſtated it in your Paper.

I agree with you, “ It is inſiſted on, in
 “ behalf of the Publick, That the Publick
 “ has a Right at this Time to redeem the
 “ Annuity of the Trading-Stock of the *South-*
 “ *Sea* Company, by paying off the Capital.

“ And that it is inſiſted on, in behalf of
 “ the Company, That their Fund or An-
 “ nuity, is not liable, at preſent, to be re-
 “ deemed; becauſe the Capital of the New
 “ Joint-Stock of *South-Sea* Annuities, is not
 “ reduced by Redemption by Parliament to
 “ Three

“ Three Millions Five Hundred Thousand
 “ Pounds, according to the Provifo in the Act
 “ which divides the faid Annuities from the
 “ Trading-Stock ; which Provifo is as fol-
 “ lows :”

*Provided always, That from, and after,
 the faid Division and Separation of the faid
 present Capital-Stock of the faid Company, into
 Annuities and a Trading-Stock, the Fund of the
 faid Trading-Stock of the faid Company, or any
 Part thereof, fhall not, without the Consent of
 the faid Company, be liable to be redeemed by
 Parliament, until the faid New Joint-Stock of
 South-Sea Annuities fhall have been reduced by
 Redemption by Parliament to a Capital, or prin-
 cipal Sum, not exceeding in the Whole, the Sum
 of Three Millions Five Hundred Thousand Pounds.*

“ You infift, on behalf of the Publick, That
 “ the Capital of the faid Annuities is reduced
 “ by Redemption by Parliament to about One
 “ Million (the Sum unfubfcribed) : Which is
 “ all that is now left of the Capital of new
 “ Joint-Stock of *South-Sea* Annuities created
 “ by the faid Act.”

Here, I must beg Leave to differ in Sentiments with you, and cannot help saying, That I think you are quite mistaken in your Reasoning; for it appears clearly to me, That the said unsubscribed Sum, when paid off, is the only Part of the Capital or Principal Sum of the new Joint-Stock of *South-Sea* Annuities, created by that Act, which is reduced by *Redemption*.

You alledge, “ That this Redemption appears from the very Act itself, it being therein expressly declared, That the Capital of the New Joint-Stock of *South-Sea* Annuities should be attended with an Annuity of Four Pounds *per Cent. per Annum*, until the Redemption thereof by Parliament, according to the Purport or true Meaning of the Act.”

I do alledge, That the Subscribed CAPITALS of the New Joint-Stock of *South-Sea* Annuities, now attended with an Annuity of Three Pounds Ten Shillings *per Cent. per Annum*, issuing and payable out of the same Funds, are a Part of the very Identical CAPITAL of the

the New Joint-Stock of *South-Sea* Annuities, created by that Act; and which did carry an Annuity of Four Pounds *per Cent. per Annum*; and therefore are the Part of the same CAPITAL or PRINCIPAL Sum unredeemed, according to the Purport and true Meaning of the said Act.

You say, “ The Capitals of the Subscribed
 “ Annuities are not now attended with an
 “ Annuity of Four Pounds *per Cent. per An-*
 “ *num*; and thence the Inference is plain,
 “ that the Annuity of Four Pounds *per Cent.*
 “ *per Annum* is redeemed, according to the
 “ Purport and true Meaning of that Act.”

Is it possible, That you, or any one, can infer from this, That the Fund of the Trading-Stock of the *South-Sea* Company, without their Consent, is liable now to be paid off. I own, That the Annuity, or Yearly Interest, attending the CAPITAL of the New Joint-Stock of *South-Sea* Annuities is reduced, and now only is an Annuity of Three Pounds Ten Shillings *per Cent. per Annum*: Permit me to refer you to a Revival of the Clause; wherein it is distinctly said, until the said New Joint-Stock of
South-

South-Sea Annuities shall have been reduced by Redemption by Parliament, to a CAPITAL or PRINCIPAL Sum, not exceeding, in the whole, the Sum of Three Millions Five hundred thousand Pounds : Does it mention one Word of a *Redemption*, by any Abatement of Interest ? Does that alter the CAPITAL ? If the Annuity, or Yearly Interest, is lessened, doth it not positively refer to a *Redemption* of the Capital or Principal Sum ? And doth not the Public owe a CAPITAL or PRINCIPAL Sum to their New Joint-Stock of *South-Sea* Annuitants, altho' attended with an Interest of Three Pound Ten Shillings *per Cent. per Annum*, for different Periods of Time, amounting, in the whole, to upwards of Eight Millions ? Can the Rate of Interest have any Analogy to the Principal Sum : Therefore how can they be said to be reduced to a Capital or Principal Sum, not exceeding, in the whole, the Sum of Three Millions Five Hundred Thousand Pounds ? And can any more of their CAPITAL, than the Sums unsubscribed, be said to be reduced by Redemption, according to Equity and good Conscience ; which I ever will believe, and affirm, to be the true Intent and Meaning, not only of that, but of all other Acts of Parliament.

You

You may prudently say, “ If your Argument be admitted, the Dispute is at an end.” I think so too; but who can, who will, admit it? Can there be any Force in an Argument so erroneously founded? You really, Sir, have mistaken the Case.—Your whole Discourse proves no more, than That the Yearly Interest, or Annuity, hath been *Reduced*, or partly *Redeemed*, if you please; but not One Shilling more of the CAPITAL or PRINCIPAL Sum, than the Unsubscribed Part, when paid off.

You next desire to see (having left the Argument) “ How the Case stands, upon the *Proviso*, taken by itself, in its full Force, without Regard to any other Consideration.”

I am very glad you admit the *Proviso* to be a Part of the Consideration: As, on the *Proviso* (in my Opinion) rest the whole Merits of the Case: But, it seems to me, throughout the whole of your Reasoning, that you have not allowed it to have the least Weight, or, that it carries with it any Force whatsoever.

Your

You insist, on behalf of the Public, “ That
 “ the Word *Redemption*, in the *Proviso*, in-
 “ cludes a Redemption *with* Consent of Par-
 “ ties, as well as *without* Consent of Parties.”

A REDEMPTION of the CAPITAL, are the Words, and I must insist on it, There hath not been hitherto, any REDEMPTION of the CAPITAL, of the ~~En~~subscribed Annuities, either *with* or *without* the Consent of Parties. I will put a CASE, similar to this in Question.

C A S E.

You and I agree, to purchase an Annuity of *D*, at Fifteen Years Purchase ; you pay Eighteen Thousand Pounds, for Twelve Hundred Pounds *per Annum* ; I pay Six Thousand Pounds, for Four Hundred Pounds *per Annum* ; *D* mortgages his Estate for our Securities, and enters into an Agreement, to *redeem* our Annuities at Pleasure, on Payment of the principal Sums, with this Proviso, That he shall not *redeem* mine, or any PART thereof, without my Consent, until he hath *reduced* yours, by *Redemption*, to a CAPITAL or PRINCIPAL Sum
 of

of Six Thousand Pounds; and then to be at Liberty to *redeem* mine; *D* gives you Notice, that he will *redeem* and pay you off, unless you will agree to accept of One Thousand and Fifty Pounds *per Annum*; you comply, and accept of it, and have the same Mortgage continued; subject to *Redemption* on Payment off, of the aforesaid CAPITAL; — He sends to me, and declares he will pay me off, unless I take Three Hundred and Fifty Pounds *per Annum*; he tells me, you have abated him One Hundred and Fifty Pounds *per Annum*, and therefore he hath *redeemed* your whole CAPITAL: I refuse to accept of it, and plead my Agreement; and insist on it, That he hath only got an *Abatement* of the Interest, and hath not *redeemed* any of the CAPITAL or PRINCIPAL Sum:—

Have I the Equity on my Side, or not?

D pays his Addressee to a young Lady, Fortunes are talked of, *D* positively affirms he hath *redeemed* your Annuity; the Marriage is just upon a Conclusion, you hear of it, and having a great Regard for the Lady and her Family, you take an Opportunity to discourse about the Conditions; her Father tells you, amongst
C other

other Things, *D* hath declared to him, he hath *redeemed* your Annuity.

Now, Sir, I beg Leave to ask you, What Opinion you would entertain of *D*?

You say, “ Whenever one Party agrees to
 “ *give*, and the other agrees *to accept of*, a new
 “ Thing in lieu of an old one, to which he
 “ had before a Right, the latter is redeemed,
 “ according to the Language of Parliament,
 “ and according to the common Sense and Un-
 “ derstanding of that Word.” —

The Manner you apply the Force of this Argument, by your next Paragraph, plainly convinces me, you quite misapprehend both the Acts of the last Sessions, as well as the Proviso herein before stated. I will put a short CASE to you here.

C A S E.

In the Year 1748, I had an *East-India* Bond, attended with an Annuity of Four Pounds *per Cent. per Annum*, the Company gave me Notice they would *redeem* and pay me off, unless I accepted of an Annuity of Three Pounds *per Cent. per Annum*; I did accept of the Annuity of Three Pounds *per Cent. per Annum*,

Annum, and carried my Bond to them, which Agreement they endorsed on the Back of my said Bond:

Pray was that Bond *redeemed*, or not? and have the Annuitants, done any other Act, than gone to the *South-Sea* House, and signified their Consent to a *Reduction* of their Interest or Annuity, by subscribing their Names in a Book, prepared for that Purpose, occasioned by their having no other Certificate for their PRINCIPAL Sum, than a Credit in an Accompt-Currant in the said Annuity Stock-Book? Had they been possessed of Bonds, or Orders, they would have been endorsed, in like manner as the *East-India* Company's Bonds were, and the Proprietors, would have had no Occasion to have signed their Names in any Books.

The Language of Parliament, I am persuaded, ever was intended, equally to be understood, by the Creditors, as well as the Publick, and ever meant the same, true, plain Sense, to all Parties; and can you say, the Language of Parliament will ever construe a Consent, to accept of any different Rate of Interest, or Annuity, to be a REDEMPTION of the CAPITAL, or any Part of the PRINCIPAL Sum? And

is not this the plain, true Fact? Hath there been other Exchange of the CAPITAL, or any Part of the PRINCIPAL Sum at all? Common Sense, cannot interpret this to be the Understanding of that Word; and how you can, to me is mysterious.

You, therefore, on behalf of the Publick, insist, “ That the Subscribers of new *South-Sea* Annuities, having voluntarily accepted of an Annuity of Three and an half *per Cent. per Annum*, unredeemable for *some Years*, in lieu of an Annuity of Four Pounds *per Cent. per Annum*, redeemable *at Pleasure*, the first Annuity attending the Sum subscribed is redeemed; and the Capital of the new Joint-Stock of *South-Sea* Annuities, created by that Act is reduced to about One Million; which now is the only Sum remaining of that Capital; and the Fund or Taxes, out of which the Annuity arose, is redeemed or exonerated from any Payment of Annuity created by that Act, so far as relates to the Sums subscribed.”

Good Sir, do you put any Strefs upon *some Years*, and *at Pleasure* (as they are Italick'd)?
And

And as to the voluntary Acceptance of one Annuity in lieu of another ; admitting the first Annuity *redeemed*, but, that the CAPITAL of the former Annuity is thereby *reduced*, is to me the most absurd Doctrine, ever yet attempted to be laid down ; and how hath the Fund or Taxes (out of which such Annuity arose) been *redeemed* or *exonerated* from any Payment of the old Annuity : Do they not now pay Seven Eighths of that Annuity ? Were they ever one Moment disengaged, or freed, from Payment of an Annuity, or Interest ? Pray do you pretend to make any Distinction between the Meaning of the Word, Annuity, or yearly Interest ?

You then say, “ The two Acts of last Sessions,
 “ under which the first and second Subscriptions
 “ were made, have created two new Capitals
 “ of new *South-Sea* Annuities, attended each
 “ with a new Annuity ; and have again mort-
 “ gaged the same Fund for Payment thereof.”

To the Perusal of these Acts, I shall refer you, together with the Provifo ; and, that you may not mistake them, I have inserted the Titles of the Acts, and the Provifo again, towards the End of my Letter :— How hath two new CAPI-

TALS been created? What is become of the old CAPITALS? Are they not the same, only the PUBLICK pay a less Interest? Hath the CAPITALS or PRINCIPAL Sums been any ways altered or lessened, except that Part of the PRINCIPAL Sum, which is to be paid off? How mortgaged again? Does not the Act of last Sessions, intituled, *An Act for reducing the several Annuities, &c.* say, That all Duties shall continue, &c. in the same manner they now stand. And is that a mortgaging again?

Here give me leave to introduce a Piece of Wit, altho' foreign to the Purpose, which happened the other Night, at Garraway's Coffee-House. In discoursing on this very Paragraph of yours, Mr. ———, a great Pretender to Sophistry, told us all, That we knew nothing of the Matter. Now, Gentlemen, said he, What do you take the Half of Twelve to be? We answered, Six. I told you, replied he, you knew nothing: Sirs, the Half of Twelve is Seven: And then he demonstrated it thus, $\frac{VII}{XII}$; which caused some Diversion.

Your next, “ The unsubscribed Annuities, the
 “ first subscribed Annuities, and the second sub-
 “ scribed Annuities, are now absolutely sepa-
 “ rated

“ rated from each other, and consequently can-
 “ not be a New Joint-Stock of *South-Sea* An-
 “ nuities.”

If you remember, Sir, the last Sessions, when the Bill was passing the House, intituled, *An Act for giving further Time, &c. to subscribe*, you was very desirous (to prevent Confusion in Accompts) that the second Subscribers should be admitted on Payment of One *per Cent.* to have their Term of Three and an half *per Cent. per Annum* for Seven Years, as the first Subscribers had; and had not a Stock-jobbing Account, then about to be adjusted, prevented it, it would have passed so. Are they any otherways separated than in the Accompt Books, and the different Periods of Time of their Three and an half *per Cent.* Interest expiring? Does this imply a *Reduction* by *Redemption* of the CAPITAL? If so, will they not be *redeemed* again, when they come to be an Annuity of Three *per Cent. per Annum*; and will they not then be again re-united? What a Confusion of *Redeeming* and *Re-uniting* must here be seven Years hence, if your Doctrine holds? Are they not now each of them a Part, making in the Whole the New Joint-Stock of *South-Sea* Annuities; or what

are they? And will they not seven Years hence be a Joint-Stock, or what will they be? Doth either of the Reduction Acts create any New CAPITALS, or new Names?

“ To disprove what is here said, (you say) It
 “ will be necessary to prove, that the Word
 “ *Redemption* in the Proviso is confined solely
 “ to the actual Payment of the CAPITAL in
 “ Money : Or, what amounted to the same,
 “ to prove, That a *Redemption* cannot be made
 “ by the Exchange of one thing for another.”

Here I cannot help admiring your Ingenuity :
 You would infer, that *Redemptions* is the only
good Word for the Company, in the Proviso :
 But pray take the Words as they are, *until re-*
duced by Redemption, to a CAPITAL or PRIN-
 CIPAL Sum ; and wherein, throughout this
 whole Case, hath one thing been exchanged
 for another? What Exchange, but an Abate-
 ment of Interest ; or, to give it its full Force,
 an Annuity of Three and an Half *per Cent. per*
Annum, in lieu of an Annuity of Four *per*
Cent. per Annum? Is the CAPITAL any how
 exchanged, by the Acts of the last Session? and
 is not the first Act intituled, *An Act for Re-*
ducing

ducing the several Annuities, which now carry an Interest after the Rate of Four Pounds per Cent. per Annum, to the several Rates of Interest therein mentioned? Doth this imply a Reduction, by Redemption of the CAPITAL or PRINCIPAL Sum.—The Second Act, intituled, *An Act for giving further Time to the Proprietors of Annuities, which now carry an Interest of Four Pounds per Cent. per Annum, to subscribe the same, in Manner, and upon Terms therein mentioned; and for Redeeming such of the said Annuities, as shall not be so subscribed.*—This Act plainly shews, and in Language of Parliament, That a *Redemption* is an actual *Payment* in MONEY, and, that it was so meant, and solely confined to, in the Proviso; which I shall here repeat again.

Provided always, That from and after the said Division and Separation of the said present CAPITAL Stock, the Fund of the said Trading Stock of the said Company, or any Part thereof, shall not, without the Consent of the said Company, be liable to be redeemed by Parliament, until the said New Joint-Stock of South-Sea Annuities shall have been reduced by Redemption by Parliament, to a CAPITAL or
D PRINCIPAL

PRINCIPAL Sum, not exceeding, in the whole,
Three Millions Five hundred thousand Pounds.

And if this *Proviso* is not sufficient Security against the *South Sea Company's* being redeemed, consistent with the Faith of Parliament, in the present Situation of their Affairs ; and that you really say, “ It is not the true Intent and “ Meaning of this Clause : ” Suppose a *new* Company was to make a Contract with the Public, to have a saving Clause, to the Purport and Meaning, which this is insisted on, in behalf of the Company to carry, you will much oblige me, and many others, with your Draught of a Clause, carrying such Purport and true Meaning, according to the Language of Parliament.

You will observe, Sir, I have answered each of your Paragraphs distinctly ; and how much of your Case is disproved, must be left left to the Judgment of the Impartial : I recommend it to your Consideration, and shall wait impatiently for your further Thoughts ; looking on this, the most solemn, tho' not the most difficult, Question ; and of the greatest Importance,

Importance, both to the PUBLIC, and its CREDITORS, that ever yet came to be determined. —I do not mean, the trifling Sum of the Half *per Cent.* for the Seven Years, on the 3,662,784*l.* 8*s.* 6*d.* South-Sea CAPITAL Trading-Stock ; a Difference insignificant, when compared to the fatal Consequences, which must attend a Diffidence in the Creditors, with Regard to PUBLIC FAITH. I know it is most ardently wished, That some Means may be found out, and put in Execution, happily to reconcile these Disputes : Therefore, I doubt not, Sir, but that you, who are so notedly averse to them, in private Life, will lend your best Assistance, to prevent them in these PUBLIC Concerns.

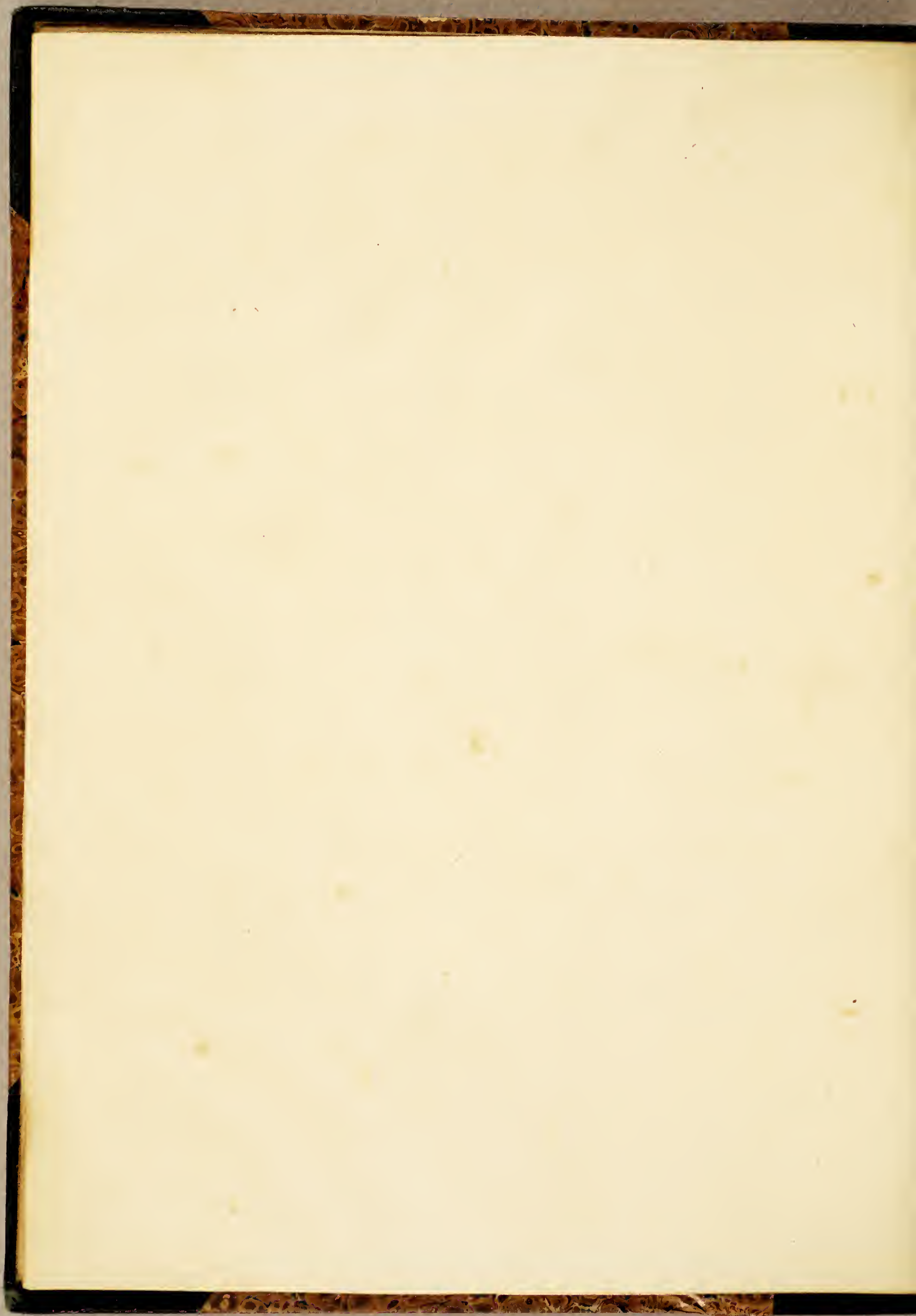
I am, SIR,

Your's, &c.

Page 8, line 8 from the Top, instead of *Unsubscribed*, read
Subscribed.

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J693c

